Removal of quantitative restrictions of textiles export

1505. DR. MANMOHAN SINGH: Will the Minister of TEXTILES be pleased to state:

(a) whether Government have conducted any analysis of the impact of removal of quantitative restrictions on our textiles export after the abolition in 2005 of the Multifibre Textile Agreement;

(b) if so, what are the findings thereof; and

(c) what measures are contemplated to enhance the competitiveness and efficiency of our textile industry to take full advantage of the quota free trade order after 2005?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) Yes, Sir. There have been a few studies to analyse the impact of post-quota regime on our textile and clothing exports. These studies have emphasised the need for modernisation and technological upgradation, human resource development, strategic alliances and Foreign Direct Investment so that the industry is enabled to successfully meet the competitive environment of post-quota regime.

Government have been continuously taking several steps to enhance competitiveness and efficiency of our textiles and clothing industry. Some of the initiatives taken in this regard are as below:-

(1) The Technology Upgradation Fund Scheme has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

(2) The New Exporters' Entitlement (Quota) Policy for the period 2000—2004 announced recently to provide stability and continuity and encourage competitiveness in textile exports.

(3) Non-Quota Entitlement (NQE) System for encouraging nonquota exports to quota and non-quota countries has been retained to boost exports in apparel sector-value added segment of Indian textiles.

(4) The export Entitlement (Quota) Policies have Manufacturer Exporter Entitlement and New Investors' Entitlement systems to encourage new investment in the textile sector and greater weightage in the ivestment in weaving and processing, besides making them TUF consistent.

(5) Reduction in the threshold limit of the Zero Duty Export Promotion Capital Goods (EPCG) Scheme in respect of certain prescribed textile machinery to Rs. one crores.

(6) Liberalisation of exports of cotton yarn by Export Oriented Unit (EOU)/Export Promotion Zone (EPZ)/EPCG units.

(7) Zero Duty import of certain categories of trimmings & embellishments.

(8) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/ modernising the existing ginning and pressing factories.

(9) Government has been taking measures from time to time to liberalise policy for foreign direct investment *inter-alia* in the textile sector. Recently, Government has allowed foreign equity participation upto 100% through automatic route, in the textile sector with certain exceptions.

(10) To prepare our textile and garment industry to conform to the ecological requirements of importing countries, Gvoernment have taken a number of measures. The Textiles Committee, different Textile Research Associations, Export Promotion Councils and other Industry Associations have been conducting a large number of seminars, workshop and distributing information brochures to create and awareness amongst all segments of industry and trade regading the dyes to be used for export of eco frindly textile. Besidees, eco testing facilites have been commissioned at important production centres.

(11) National Institute for Fashion Technolgoy (NIFT) and its six branches asre running various courses/programmes to meet skilled manpower requirements of textile industry in the field of design, merchandising and marketing.